



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC PROPOSES \$5 MILLION FORFEITURE TO COMBAT DECEPTIVE MARKETING OF PREPAID CALLING CARDS TARGETING IMMIGRANT COMMUNITIES

Prepaid Calling Card Forfeitures Total \$30 Million in Past Year against Six Carriers; FCC Warns Consumers to Beware of Deceptive Prepaid Calling Card Schemes

Washington, D.C. –The Federal Communications Commission’s Enforcement Bureau has proposed a [\\$5 million forfeiture](#) against NobelTel, LLC for deceptively marketing prepaid calling cards to consumers. With this latest enforcement action, the FCC has now proposed forfeitures totaling \$30 million against six carriers within the past year to combat the deceptive marketing of prepaid calling cards. Such cards are commonly sold in convenience stores and gas stations across the country.

In each of the six enforcement actions to date, the FCC’s Enforcement Bureau found that the carrier targeted immigrant populations, and claimed that buyers could make hundreds or thousands of minutes of telephone calls to their native countries for just several dollars. However, the FCC’s Enforcement Bureau discovered that buyers could make calls for only a fraction of those minutes, due to the carriers’ assessment of various fees that are not clearly and conspicuously disclosed.

FCC Chairman Julius Genachowski said, “As this action makes clear, we remain vigilant in our effort to crack down on prepaid calling card scammers who engage in deceptive marketing. Millions of Americans depend on prepaid calling cards to connect with family and friends around the world, and the FCC will not tolerate predatory schemes that include unfair or unclear fees. The Commission will continue to monitor marketing activities around prepaid calling cards – and will not hesitate to take decisive action when warranted.”

To illustrate the kind of practices at issue, the Commission observed in the case against NobelTel, LLC that a \$2 card marketed as offering 400 minutes of calls to Mexico might be exhausted after just one 10-minute call. This is due to different fees, such as “daily” and “hang-up” fees, that might be assessed after the call was completed. The card advertising contained disclosures, but only in small type and without clarity about when the fees would and would not apply. According to the FCC, the only possible way consumers might be able to make calls of 400 minutes was if they made a single call of that length – almost seven hours.

To continue to heighten public awareness of these practices, and to warn carriers about the consequences of engaging in them, the FCC is also releasing an Enforcement Advisory about deceptive marketing of prepaid calling cards, in both English and Spanish.

For further information, contact Richard A. Hindman at (202) 418-7320. News and other information about the FCC is available at www.fcc.gov.

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